

ENVOY COMMUNICATIONS GROUP INC

Form 6-K

August 30, 2001

envoy communications  
group inc.  
3rd quarter report 2001  
energy  
focus  
strength

Management Discussion and Analysis  
Results of Operations

Nine Months Ended June 30, 2001 compared with Nine Months Ended June 30, 2000.

Net Revenue

Net revenue increased by 60% to \$62.9 million for the nine months ended June 30, 2001, from \$39.4 million in the nine months ended June 30, 2000. This increase is a result of both growth through acquisition and organic growth. Effective January 1, 2001, we acquired all of the shares of the International Design Group (Canada) Inc. (IDG), a retail planning and design firm. This acquisition was accounted for using purchase accounting, and as a result of this acquisition, there are six months of net revenues included in the nine months ended June 30, 2001. In fiscal 2000, Envoy completed two acquisitions: the acquisition of Sage Information Consultants, effective June 1, 2000, and the acquisition of Gilchrist Brothers Limited, effective July 1, 2000. As a result of the acquisitions of Sage and Gilchrist, there are an additional eight and nine months of net revenues for these companies, respectively, included in the June 30, 2001 results of operations that were not included in our results of operations for the nine months ended June 30, 2000. Organic growth accounted for approximately \$7.7 million or 14% of the overall increase in net revenue for the period.

In the nine months ended June 30, 2001, net revenue from our marketing services represented approximately 31% of our net revenue, while design and technology represented 49% and 20% respectively. In the nine months ended June 30, 2000, marketing services represented approximately 57% of net revenue, with design and technology services representing 35% and 8% respectively.

We have continued to geographically diversify our revenue base. The geographical breakdown of our net revenue for the nine months ended June 30, 2001 was 50% from the United States, 23% from the United Kingdom and Continental Europe, and 27% from Canada. Net revenue for the nine months ended June 30, 2000 was 63% from the United States and 37% from Canada.

EBITDA Before and After Unusual Items

For the nine months ended June 30, 2001, we earned \$9.2 million in earnings before interest expense, income taxes, depreciation and amortization (EBITDA) before unusual items, and our EBITDA after unusual items was \$7.1 million. For the nine months ended June 30, 2000, we earned \$7 million in EBITDA.

Operating Expenses

Operating expenses increased by 66% to \$53.8 million for the nine months ended June 30, 2001, from \$32.4 million for the nine months ended June 30, 2000. The increase in salaries and benefits reflects staff of acquired operations plus the additional management and client support employed to handle the continued growth and expanded operations throughout the Company. As a percentage of net revenue, salaries and benefits remained relatively constant at 63% for the nine months

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ended June 30, 2001 and 60% for the nine months ended June 30, 2000. The additional general and administrative expenses were largely due to expanded business development activities by our existing business divisions as well as new and expanded business development activity by the acquired businesses. General and administrative expenses decreased slightly at 17% of net revenue for the nine months ended June 30, 2001 compared with 18% of net revenue for the nine months ended June 30, 2000. Occupancy costs increased due to additional space required to support our growth from acquisitions. The additional depreciation charges were due to the depreciation of the costs of our additional leasehold improvements and of newly purchased capital equipment as a result of acquisitions.

The increase in interest charges was due to the additional debt relating to acquisitions.

See Note 1 to the consolidated financial statements. During the quarter, the Company announced that it was terminating its discussions in connection with the proposed acquisition of Leagas Delaney. Generally accepted accounting principles require that all costs in connection with the proposed acquisition and the related equity financing need to be expensed in full as of the date of abandonment. The impact of this was to expense \$2.1 million of costs relating to the proposed acquisition. Costs include legal, accounting, consulting and other out-of-pocket expenses incurred in the negotiating and preparation of legal documents and preparation of long-form prospectus materials.

See Note 2 to the consolidated financial statements. Effective October 1, 2000, the Company was required to adopt on a retroactive basis the new accounting standards of the Canadian Institute of Chartered Accountants ("CICA") for income taxes. As a result of the December 2000 announcement by the government to introduce legislation to reduce income tax rates over the next four years, the Company was required to revalue its future tax assets as at December 31, 2000 to reflect the reduction in future expected tax rates. This increased the Company's tax provision for the three months ended December 31, 2000 by \$100,000. Under the CICA's new accounting standard the Company is required to record this item as an adjustment to income tax expense, notwithstanding the fact that such amounts were not previously reflected in income tax expense when recorded.

### Net Earnings Before and After Unusual Items

For the nine months ended June 30, 2001, we earned \$1.3 million in net earnings before unusual items, and our net earnings after unusual items was \$135,000. For the nine months ended June 30, 2000, we earned \$2.2 million in net earnings.

### Per Share Amounts Before and After Unusual Items

Before unusual items: For the nine months ended June 30, 2001, the EBITDA before unusual items per share was \$0.43, the earnings before goodwill before unusual items per share was \$0.17 and the net earnings before unusual items per share was \$0.06. After unusual items: For the nine months ended June 30, 2001, the EBITDA per share was \$0.33, the earnings before goodwill per share was \$0.11 and the net earnings per share was \$0.01. For the nine months ended June 30, 2000, the EBITDA per share was \$0.38, the earnings before goodwill per share was \$0.17 and the net earnings per share was \$0.12.

### Cash Flows

Nine months ended June 30, 2001 compared with nine months ended June 30, 2000.

Net cash provided by operating activities before any increase and decrease in non-cash operating working capital was \$4.9 million for the nine months ended June 30, 2001 and \$4.4 million for the nine months ended June 30, 2000.

Increase in net cash provided by operating activities is primarily due to

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increased earnings of acquisitions, as discussed previously.

Net cash used in financing activities was (\$3.6) million for the nine months ended June 30, 2001, and net cash provided by financing activities was \$11.8 million for the nine months ended June 30, 2000. The decrease is primarily due to a public offering in the prior year and the repayment of debt in the current year. In June 2000, the Company issued 1,533,571 common shares for net proceeds of \$10 million. In addition, in June 2000, we established a new US\$8 million revolving credit facility, and borrowed US\$3.1 million under the facility. In January 2001, we borrowed an additional US\$1 million, which has been used in part to fund the acquisition of IDG. In February 2001, we repaid US\$3.1 million of the facility using cash from operations.

### Results of Operations

Three months ended June 30, 2001 compared with three months ended June 30, 2000.

#### Net Revenue

Net revenue increased by 51% to \$20.7 million in the three months ended June 30, 2001, from \$13.7 million in the three months ended June 30, 2000. This increase occurred as a result of both growth through acquisition and organic growth. As a result of the acquisition of IDG there are three months of net revenues included in the three months ended June 30, 2001 that were not included in our results of operations for the three months ended June 30, 2000. As a result of the acquisitions of Sage and Gilchrist, there are three and two months of net revenues for these companies, respectively, included in the June 30, 2001 results of operations that were not included in our results of operations for the three months ended June 30, 2000. Organic growth was approximately \$1.8 million or 10% for the period.

#### EBITDA Before and After Unusual Items

For the three months ended June 30, 2001, we earned \$1.7 million in EBITDA before unusual items, and our EBITDA after unusual items resulted in a loss of (\$447,000). For the three months ended June 30, 2000, we earned \$2.8 million in EBITDA.

#### Operating Expenses

Operating expenses increased by 75% to \$19.1 million for the three months ended June 30, 2001 from \$10.9 million for the three months ended June 30, 2000. The primary reasons for the increase are increases in salaries and benefits of \$6.6 million or 82%; an increase in general and administrative expenses of \$949,000 or 42%; and an increase in occupancy costs of \$619,000 or 104%. There were also increases in depreciation of \$233,000 or 53%, and in goodwill amortization net of income taxes of \$364,000 or 97%. The explanations for the increases are the same as previously discussed in the nine-month comparison, including the acquisitions of Sage, Gilchrist and IDG.

See Note 1 to the consolidated financial statements and previously discussed explanation on unusual items in the nine-month comparison.

The increase in interest charges was due to the additional debt relating to acquisitions.

Goodwill amortization increased from \$374,000 to \$738,000, due largely to the increased amount of goodwill derived from the acquisitions discussed above.

#### Net Earnings (Loss) Before and After Unusual Items

For the three months ended June 30, 2001, we earned (\$273,000) in net earnings before unusual items, and our net loss after unusual items was (\$1.5) million.

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For the three months ended June 30, 2000, we earned \$971,000 in net earnings.

### Per Share Amounts Before and After Unusual Items

Before unusual items: For the three months ended June 30, 2001, the EBITDA before unusual items per share was \$0.08, the earnings before goodwill before unusual items per share was \$0.02 and the net earnings before unusual items per share was (\$0.01). After unusual items: For the three months ended June 30, 2001, the EBITDA per share was (\$0.02), the loss before goodwill per share was (\$0.04) and the net loss per share was (\$0.07). For the three months ended June 30, 2000, the EBITDA per share was \$0.15, the earnings before goodwill per share was \$0.07 and the net earnings per share was \$0.05.

### Cash Flows

Three months ended June 30, 2001 compared with three months ended June 30, 2000.

Net cash used in operating activities before any increase and decrease in non-cash operating working capital was \$45,000 for the three months ended June 30, 2001 and \$1.8 million for the three months ended June 30, 2000.

Net cash used in financing activities was (\$5.0) million for the three months ended June 30, 2001, and net cash provided by financing activities was \$3.3 million for the three months ended June 30, 2000. The explanations for the decreases are the same as previously discussed in the nine-month comparison.

### Financial Condition

As at June 30, 2001 compared with September 30, 2000.

The working capital balance was \$10.5 million and the cash balance was \$12.3 million at June 30, 2001. At September 30, 2000, working capital was \$11.4 million and the cash balance was \$7.1 million. Additional cash balance is primarily due to an increase in outstanding accounts payable and accrued liabilities as a result of timing of payments.

Cash flow from operations as well as the availability of the remaining existing credit facilities and the net proceeds of any future share offerings are expected to provide the liquidity to meet current foreseeable cash needs for at least the next year.

### Consolidated Balance Sheets

(In Canadian dollars)

(Unaudited-Prepared by Management)

| As at                     | June 30<br>2001 | September 30<br>2000 |
|---------------------------|-----------------|----------------------|
| ASSETS                    |                 |                      |
| Current assets:           |                 |                      |
| Cash                      | \$ 12,304,360   | \$ 7,105,418         |
| Restricted cash           | 551,102         | -                    |
| Accounts receivable       | 31,695,683      | 34,234,974           |
| Prepaid expenses          | 2,524,149       | 1,732,212            |
|                           | 47,075,294      | 43,072,604           |
| Restricted cash           | -               | 832,337              |
| Capital assets            | 10,479,922      | 10,448,625           |
| Goodwill and other assets | 45,529,927      | 46,987,707           |

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|                       |                |                |
|-----------------------|----------------|----------------|
| Deferred income taxes | 642,151        | 966,715        |
|                       | \$ 103,727,294 | \$ 102,307,988 |

### Liabilities and Shareholders' Equity

#### Current liabilities:

|   |               |               |
|---|---------------|---------------|
| Accounts payable and accrued liabilities                      | \$ 30,425,905 | \$ 24,247,075 |
| Income taxes payable  | 289,165       | 1,190,313     |
| Deferred revenue  | 413,371       | 1,044,873     |
| Amounts collected in excess<br>of pass-through costs incurred | 2,350,355     | 2,307,047     |
| Current portion of long-term debt                             | 3,064,718     | 2,848,430     |
|   | 36,543,514    | 31,637,738    |

|                |           |           |
|----------------|-----------|-----------|
| Long-term debt | 3,691,968 | 7,983,449 |
|----------------|-----------|-----------|

#### Shareholders' equity:

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| Share capital                     | 55,509,715     | 54,597,762     |
| Retained earnings                 | 8,538,756      | 8,403,367      |
| Cumulative translation adjustment | (556,659)      | (314,328)      |
|                                   | 63,491,812     | 62,686,801     |
|                                   | \$ 103,727,294 | \$ 102,307,988 |

### Consolidated Statements of Operations and Retained Earnings (In Canadian dollars) (Unaudited-Prepared by Management)

|  | June 30<br>2001 | June 30<br>2000 |
|--|-----------------|-----------------|
| For the nine months ended  |                 |                 |
| Net revenue  | \$ 62,954,227   | \$ 39,358,968   |
| Operating expenses:  |                 |                 |
| Salaries and benefits  | 39,925,588      | 23,524,816      |
| General and administrative   | 10,391,596      | 7,190,469       |
| Occupancy costs  | 3,475,816       | 1,640,810       |
|  | 53,793,000      | 32,356,095      |
| Earnings before interest expense,<br>income taxes, depreciation, goodwill<br>amortization, and unusual items | 9,161,227       | 7,002,873       |
| Depreciation   | 2,177,500       | 1,269,901       |
| Interest expense   | 529,304         | 245,966         |
| Earnings before income taxes, goodwill<br>amortization, and unusual items                                    | 6,454,423       | 5,487,006       |
| Impact of unusual items (Note 1)   | 2,100,000       | -               |
| Earnings before income taxes and<br>goodwill amortization  | 4,354,423       | 5,487,006       |
| Income tax expense, excluding the undernoted<br>Impact of tax rate changes (Note 2)                          | 1,899,911       | 2,374,993       |
|  | 100,000         | -               |
| Earnings before goodwill amortization  | 2,354,512       | 3,112,013       |

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|  |              |              |
|--|--------------|--------------|
| Goodwill amortization, net of income taxes of \$18,000 (2000-\$18,000) | 2,219,123    | 909,816      |
| Net earnings   | \$ 135,389   | \$ 2,202,197 |
| Retained earnings, beginning of period                                 | 8,403,367    | 5,492,940    |
| Retained earnings, end of period                                       | \$ 8,538,756 | \$ 7,695,137 |
| Net earnings per share-basic   | \$ 0.01      | \$ 0.12      |
| Net earnings per share-fully diluted                                   | 0.01         | 0.12         |
| Earnings per share before goodwill amortization-basic                  | 0.11         | 0.17         |
| Earnings per share before goodwill amortization-fully diluted          | 0.11         | 0.17         |

See accompanying notes to consolidated financial statements.

### Consolidated Statements of Cash Flow (In Canadian dollars) (Unaudited-Prepared by Management)

|  | June 30<br>2001 | June 30<br>2000 |
|--|-----------------|-----------------|
| For the nine months ended                                  |                 |                 |
| Cash flows from operating activities:                      |                 |                 |
| Net earnings   | \$ 135,389      | \$ 2,202,197    |
| Items not involving cash:                                  |                 |                 |
| Deferred income taxes                                      | 306,508         | 1,032           |
| Depreciation   | 2,177,500       | 1,269,901       |
| Goodwill amortization                                      | 2,237,123       | 927,816         |
| Net changes in non-cash working capital balances:          |                 |                 |
| Increase in restricted cash                                | (551,102)       | -               |
| Accounts receivable  | 3,578,587       | 4,518,384       |
| Prepaid expenses   | (781,795)       | (626,661)       |
| Accounts payable and accrued liabilities                   | 7,135,141       | (5,371,285)     |
| Income taxes payable                                       | (766,977)       | (895,264)       |
| Deferred revenue   | (633,403)       | 335,053         |
| Amounts collected in excess of pass-through costs incurred | 36,968          | 1,685,346       |
| Net cash provided by operating activities                  | 12,873,939      | 4,046,519       |
| Cash flows from financing activities:                      |                 |                 |
| Long-term debt   | 334,613         | 3,391,756       |
| Long-term debt repayments                                  | (5,542,692)     | (1,779,630)     |
| Issuance of common shares for cash                         | 415,993         | 10,478,808      |
| Reduction (increase) in restricted cash                    | 834,962         | (300,854)       |
| Other  | 389,171         | -               |
| Net cash provided by (used in) financing activities        | (3,567,953)     | 11,790,080      |
| Cash flows from investing activities:                      |                 |                 |

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|  |               |               |
|--|---------------|---------------|
| Acquisition of subsidiaries (net of cash acquired(bank indebtedness assumed) of \$214,179; 2000-nil) | (1,905,133)   | (2,205,892)   |
| Purchase of capital assets   | (2,082,771)   | (1,765,020)   |
| Net cash used in investing activities  | (3,987,904)   | (3,970,912)   |
| Change in cash balance due to foreign exchange   | (119,140)     | 78,440        |
| Increase in cash   | 5,198,942     | 11,944,127    |
| Cash, beginning of period  | 7,105,418     | 15,300,454    |
| Cash, end of period  | \$ 12,304,360 | \$ 27,244,581 |
| Cash flow from operations per share:   |               |               |
| Basic  | \$ 0.23       | \$ 0.24       |
| Fully diluted  | \$ 0.23       | \$ 0.24       |
| Supplemental cash flow information:  |               |               |
| Interest paid  | \$ 268,102    | \$ 218,891    |
| Income taxes paid  | 2,069,069     | 2,903,844     |
| Shares issued for non-cash consideration   | 4,123,821     | 6,848,173     |

Consolidated Statements of Operations and Retained Earnings  
(In Canadian dollars)  
(Unaudited-Prepared by Management)

|  | June 30<br>2001 | June 30<br>2000 |
|--|-----------------|-----------------|
| For the three months ended   |                 |                 |
| Net revenue  | \$ 20,747,839   | \$ 13,716,105   |
| Operating expenses:  |                 |                 |
| Salaries and benefits  | 14,654,133      | 8,044,640       |
| General and administrative   | 3,223,366       | 2,274,531       |
| Occupancy costs  | 1,217,593       | 598,192         |
|  | 19,095,092      | 10,917,363      |
| Earnings before interest expense, income taxes, depreciation, goodwill amortization, and unusual items | 1,652,747       | 2,798,742       |
| Depreciation   | 672,738         | 439,684         |
| Interest expense   | 159,023         | 82,956          |
| Earnings before income taxes, goodwill amortization, and unusual items                                 | 820,986         | 2,276,102       |
| Impact of unusual items (Note 1)   | 2,100,000       | -               |
| Earnings (loss) before income taxes and goodwill amortization  | (1,279,014)     | 2,276,102       |
| Income taxes   | (536,290)       | 930,874         |
| Earnings (loss) before goodwill amortization   | (742,724)       | 1,345,228       |
| Goodwill amortization, net of income taxes   |                 |                 |

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|  |                |            |
|--|----------------|------------|
| of \$6,000 (2000-\$6,000)  | 738,107        | 374,493    |
| Net earnings (loss)  | \$ (1,480,831) | \$ 970,735 |
| Net earnings per share-basic                                     | \$ (0.07)      | \$ 0.05    |
| Net earnings per share-fully diluted                             | (0.07)         | 0.05       |
| Earnings per share before goodwill<br>amortization-basic         | (0.04)         | 0.07       |
| Earnings per share before goodwill<br>amortization-fully diluted | (0.04)         | 0.07       |

See accompanying notes to consolidated financial statements.

### Consolidated Statements of Cash Flow (In Canadian dollars) (Unaudited-Prepared by Management)

|   | June 30<br>2001 | June 30<br>2000 |
|---|-----------------|-----------------|
| For the three months ended                                    |                 |                 |
| Cash flows from operating activities:                         |                 |                 |
| Net earnings (loss)   | \$ (1,480,831)  | \$ 970,735      |
| Items not involving cash:                                     |                 |                 |
| Deferred income taxes   | 18,994          | 26,189          |
| Depreciation  | 672,738         | 439,684         |
| Goodwill amortization   | 744,107         | 380,493         |
| Net changes in non-cash working capital balances:             |                 |                 |
| Reduction (increase) in restricted cash                       | (551,102)       | -               |
| Accounts receivable   | 2,231,471       | 10,993,980      |
| Prepaid expenses  | 922,304         | (444,966)       |
| Accounts payable and accrued liabilities                      | (5,780,443)     | (8,706,342)     |
| Income taxes payable  | (1,050,685)     | 1,469,988       |
| Deferred revenue  | (258,684)       | 335,053         |
| Amounts collected in excess of pass-through<br>costs incurred | (327,206)       | (2,192,413)     |
| Other   | (144,904)       | -               |
| Net cash provided by (used in)<br>operating activities        | (5,004,241)     | 3,272,401       |
| Cash flows from financing activities:                         |                 |                 |
| Long-term debt  | 334,613         | 2,841,756       |
| Long-term debt repayments                                     | (589,114)       | (152,764)       |
| Issuance of common shares for cash                            | 18,100          | 9,915,158       |
| Reduction in restricted cash                                  | 1,089,361       | 293,969         |
| Other   | 1,002,336       | -               |
| Net cash provided by financing activities                     | 1,855,296       | 12,898,119      |
| Cash flows from investing activities:                         |                 |                 |
| Acquisition of subsidiaries                                   | 110,213         | (19,687)        |
| Purchase of capital assets                                    | (641,348)       | (218,818)       |



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|  |               |               |
|--|---------------|---------------|
| Net cash used in investing activities          | (531,135)     | (238,505)     |
| Change in cash balance due to foreign exchange | (471,511)     | 155,163       |
| Increase in cash                               | (4,151,591)   | 16,087,178    |
| Cash, beginning of period                      | 16,455,951    | 11,157,403    |
| Cash, end of period                            | \$ 12,304,360 | \$ 27,244,581 |
| Cash flow from operations per share:           |               |               |
| Basic  | \$ 0.00       | \$ 0.10       |
| Fully diluted                                  | \$ 0.00       | \$ 0.10       |
| Supplemental information:                      |               |               |
| Interest paid                                  | \$ 51,001     | \$ 56,503     |
| Income taxes paid                              | 779,248       | 433,861       |
| Shares issued for non-cash consideration       | -             | 4,417,973     |

### Notes to Consolidated Financial Statements

#### 1. Unusual Items

During the quarter the Company announced that it was terminating its discussions in connection with the proposed acquisition of Leagas Delaney. Generally accepted accounting principles require that all costs in connection with the proposed acquisition and the related equity financing need to be expensed in full as of the date of abandonment. Costs include legal, accounting, consulting and other out-of-pocket expenses incurred in the negotiating and preparation of legal documents and preparation of long-form prospectus materials.

#### 2. Income Taxes

Effective October 1, 2000, the Company was required to adopt on a retroactive basis the new accounting standards of the Canadian Institute of Chartered Accountants ("CICA") for income taxes. Under this accounting standard, the Company is not required to restate its comparative figures for prior years.

Under these new standards, future tax assets and liabilities attributable to all temporary differences are measured using the future tax rates expected to be in effect when the items are recovered or settled. The effect of a change in tax rates must be recognized in income at the enactment date.

Previously, future tax assets and liabilities were recorded at the tax rate in effect in the period in which the temporary difference arose and were not adjusted for subsequent tax rate changes. The Company's temporary differences are principally in respect to deductible share issue costs that were recorded directly in capital stock rather than as a credit to income tax expense. There is no cumulative effect as of October 1, 2000 of this change in accounting policy.

As a result of the December 2000 announcement by the government to introduce legislation to reduce income tax rates over the next four years, the Company was required to revalue its future tax assets as at December 31, 2000 to reflect the reduction in future expected tax rates. The impact of this was to increase the Company's tax provision for the three months ended December 31, 2000 by \$100,000. Under the CICA's new accounting standards, the Company is required to record this item as an adjustment to income tax expense, notwithstanding the fact that such amounts were not previously reflected in income tax expense when recorded.

#### 3. Segmented Information

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The Company provides integrated marketing communication services to its clients. While the Company has subsidiaries in Canada, the United States, the United Kingdom and Continental Europe, it operates as a global business and has no distinct operating segments. The tables below set out the following information:

|  | By Customer Location | By Geographic Area |               |
|--|----------------------|--------------------|---------------|
| June 30, 2001                            | Net<br>Revenue       | Capital<br>Assets  | Goodwill      |
| Canada                                   | \$ 16,955,785        | \$ 7,873,752       | \$ 21,783,752 |
| United States                            | 31,404,861           | 664,109            | 16,208,576    |
| United Kingdom and<br>Continental Europe | 14,593,581           | 1,942,061          | 7,437,784     |
|  | \$ 62,954,227        | \$ 10,479,922      | \$ 45,430,112 |
|  |                      |                    |               |
| June 30, 2000                            |                      |                    |               |
| Canada                                   | \$ 14,537,694        | \$ 7,625,559       | \$ 23,045,522 |
| United States                            | 24,821,274           | 885,030            | 11,256,691    |
| United Kingdom and<br>Continental Europe | -                    | -                  | -             |
|  | \$ 39,358,968        | \$ 8,510,589       | \$ 34,302,213 |

The Company's external net revenue by type of service is as follows:

| June 30      | 2001          | 2000          |
|--------------|---------------|---------------|
| Net revenue: |               |               |
| Marketing    | \$ 19,789,373 | \$ 22,543,012 |
| Design       | 30,632,540    | 13,562,558    |
| Technology   | 12,532,314    | 3,253,398     |
|              | \$ 62,954,227 | \$ 39,358,968 |